

Office Memorandum : UNITED STATES GOVERNMENT

TO : Mr. A. H. Belmont *AB*

FROM : C. H. Stanley *CHS*

SUBJECT: FRANK WISNER
Deputy Director, Office of Policy Coordination
CIA
Information Concerning

DATE: May 21, 1952

PURPOSE:

To advise that information has been received that the captioned individual consorted with an individual who reportedly confessed to having been a Russian agent, and to recommend that Assistant to the Director Nichols discuss this matter with [redacted] and suggest that [redacted] take the matter up directly with CIA.

BACKGROUND:Basis of Complaint

On May 9, 1952, [redacted]

[redacted] advised Assistant to the Director Nichols that he was very concerned about the activities of Frank Wisner of CIA. [redacted] concern grows out of his interest in a case involving Nicolae Malaxa, a wealthy Roumanian industrialist. Malaxa, according to [redacted] has been greatly maligned by stories circulated by Max Ausnit, another Roumanian, and an individual named [redacted]

[redacted] a Hitler collaborator. Ausnit was reportedly provided with Royal Roumanian funds to aid refugees to get out of Roumania but allegedly converted these funds to his own use. The Free Rumanian League, backed by Malaxa, is attempting to recover this money, and in return Ausnit has made charges against Malaxa.

In the meantime Frank Wisner represented Max Ausnit as an attorney and put in CIA records considerable information on Malaxa which has gone to the State Department and INS and is now being used to hurt Malaxa.

[redacted] entire campaign is apparently against Wisner. He advised that Wisner, while with OSS, met a Roumanian divorcee, Tanda Caradja, in Bucharest with whom he started living. A member of the British Mission in Bucharest warned Wisner against Caradja because she was in the service of Russian Espionage agents, which

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Wisner ignored. [] stated that Colonel Oscar Colcaire of the American Legation in Bern was told by [] that the British had tried to warn Wisner that he was living with a known Soviet spy.

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According to Richman, Caradja was arrested in Vienna in 1948 by American Intelligence as she was about to enter Russian Intelligence Headquarters. Caradja reportedly subsequently confessed to her activities.

INFORMATION IN BUFILES:

Frank Wisner

Wisner was the subject of an AEA-A investigation in June, 1949, which disclosed no disloyal data concerning him. (116-142295) & u

He graduated from the University of Virginia in 1934, has been an attorney in New York City, was in charge of the Office of Cable Censorship in New York City, and in 1943, entered OSS. Since approximately June, 1948, he has been a Deputy Director of CIA in charge of the Office of Policy Coordination. Bufiles contain numerous references on him in connection with information provided by him or in connection with policies and subjects of mutual interest to the Bureau and CIA.

Nicolae Malaxa

Malaxa is the subject of a pending Internal Security - RU case. He is a Rumanian steel and armament industrialist of considerable wealth who entered the U. S. in 1946 and has received periodic extensions of his visa since that time. He was made the subject of a security investigation in 1947 in view of the possibility that he was in the U. S. in an official capacity which investigation was broadened to inquiry as to his possible obligations under the Registration Act. An allegation was made on 9/4/47 by Edgar Ausnit, brother of Max Ausnit, that Malaxa was a Rumanian Nazi who as an opportunist rendered support to the Russians on their arrival in

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Rumania. Another allegation was made in October, 1947, by [] that Malaxa was financing members of the Rumanian Legation. These and other allegations of a similar nature have been explored and no concrete data has been developed to support them other than Malaxa's interest in protecting his extensive financial holdings in Rumania. On October 7, 1949, the Department advised that Malaxa was not obliged to register as a Foreign agent and no further investigation was being requested. (100-344488-160)

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Max Ausnit

(S) Ausnit is also a wealthy Rumanian industrialist who was accused of collaborating with the Germans. The Bureau has conducted no active investigation []

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(S) [] Ausnit was tried for treason in absentia by the Rumanian Government in 1948 for having had "connections" with American and British representatives in a purported attempt to overthrow the Rumanian Government. In August, 1951, the New York Office advised that Ausnit was in Paris and expected to return to the U. S. in October, 1951. No advice has been received that Ausnit has returned to the U. S. (100-132320)

The review of the files on Ausnit and Malaxa reveal that they are bitter enemies and have reported disloyal information about one another.

Tanda Caradja

This individual, also known as Mrs. Alexandra Moevs, Mrs. Robert Moevs, Mrs. Dumitru Bradadiru, Mrs. Caragea, has never been the subject of a Bureau investigation inasmuch as she has never been in the U. S.

(U) [G-2 advised by report dated 9/19/50 that Caradja, in December, 1948, admitted to employment as an agent of the Communist controlled Rumanian Intelligence Service. (S) review of the material furnished by CIA, G-2, and State Department does not reflect any association between Wisner and Caradja, nor do Bureau files reflect any such association. (100-359564) (S)(S) (S)(S) 10-2288

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MISCELLANEOUS:

[redacted]
[redacted]
[redacted] also alleged to have been an acquaintance of Frank Wisner of CIA, and [redacted]

The information concerning these allegations was furnished the interested agencies in view of the serious allegations concerning [redacted]

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RECOMMENDATION:

In view of the relationship between [redacted] and Malaxa and the reported relationship between Frank Wisner and Max Ausnit it appears that the complaint in this matter is an extension of the dispute between Ausnit and Malaxa reflected in Bureau files. It is possible that [redacted] hopes to utilize the Bureau in an attempt to suppress any further actions on the part of Wisner which would injure Malaxa. It is recommended that Mr. Nichols discuss this matter with [redacted] and suggest that [redacted] relate his information directly to appropriate officials in CIA and that the Bureau take no further action unless specifically requested by CIA.

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I think we should brief Gen. Smith & if he wants to contact [redacted] he can do so.

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